

The Iowa Department of Economic Development Overview

Presentation to:
Joint Economic Development
Appropriations Committee

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Today's Presenters

- Mike Tramontina, Interim Director
- Tina Hoffman, Deputy Director
- Mike Miller, Team Leader, Investment Mgmt.
- Nancy Landess, Manager, Iowa Tourism Office
- Thom Guzman, Manager, Main Street Iowa
- Jeff Rossate, Division Admin., Business Development
- Kay Snyder, Manager, Iowa Careers Consortium
- Karen Merrick, Coordinator, Biosciences Industry Group
- Terry Roberson, Division Admin., Administration

The Iowa Department of Economic Development

- **Mission:** *To engender and promote economic development policies and practices which stimulate and sustain Iowa's economic growth and climate and that integrate efforts across public and private sectors.*
- **Vision:** *All Iowans enjoying a vibrant economy.*

Department Overview

- Created in 1986
- 22-Member Board of Directors (15 voting)
- 3 Divisions
- 133 staff members
- \$139 million Budget (\$41M federal)
- Unified branding: IOWA *life*|changing

Community Development Division

- CDBG (Water/Sewer & Public Facilities)
- Investment Management
- Housing Enterprise Zones
- Iowa Downtown Resource Center
- City Development Board
- Iowa Commission on Volunteer Services
- Housing Funds
- Endow Iowa/County Endowment Fund
- Iowa Tourism Office
- Vision Iowa and Community Attractions and Tourism

Community Development – **Goals and Objectives**

- The Community Development Division strives to continually develop the economic well-being and quality of life of Iowans by:
 - Providing financial assistance
 - Providing technical assistance
 - Providing training

Community Development – **Investment Management**

- Contract processing
- Maintenance of Federal and State databases
- Closeout, audit and final acceptance of project results
- Long-term compliance
- Operate Housing Enterprise Zone and Endow Iowa programs
- Process all requests for payment

Community Development – **Housing Enterprise Zones**

- Tax credits for Housing projects in Enterprise Zones
- In FY2006, 72 projects were approved providing 1,445 housing units



Community Development – **Technical Assistance and Special Projects**

- Entrepreneurial Services
- Endow Iowa
- Getting to Know IDED

Community Development – **City Development Board**

- City Boundary Changes
- Providing information to local governments, property owners and the media
- Maintaining records on all city development actions
- Addressing islands of unincorporated land and unincorporated secondary roads adjacent to city boundaries
- 5-member board

Community Development – **Iowa Commission on Volunteer Service**

- Promotion, support and recognition of volunteerism in Iowa
- Youth development/Iowa's Promise
- Grants for youth service projects
- AmeriCorps state grants
- Training for AmeriCorps and volunteer management
- 25-member board of commissioners

Community Development – **Community Development Block Grant (CDBG)**

- Water/Sewer Fund
- Community Facilities and Services Fund
- Imminent Threat/Special Opportunities
- Career Link

Community Development – **Housing Fund**

Activities:

- Rental housing (both new construction and rehab)
- Owner-occupied housing rehab
- Homeownership assistance
- Tenant-based rental assistance
- Annual applications for approx. \$17 million
- Primarily benefiting low- and moderate-income persons

Community Development – **Homeless Assistance**

- Shelter rehab/renovation
- Staff salaries
- Operating expenses
- Homelessness prevention
- In partnership with the Iowa Finance Authority and the Iowa Council on Homelessness

Community Development – **Endow Iowa/ County Endowment Fund**

- Endow Iowa tax credits to individuals donating to Qualified Community Foundations
- County Endowment Fund provides approx. \$5.8 million distributed to 85 community foundations and their affiliate organizations

Community Development – **Iowa Tourism Office**

- Advertising and Publications
- Research and Education
- Industry Communication and Partnerships
- Iowa Film Office

Community Development – **Vision Iowa/CAT**

- Created to help foster large and small community recreation and attraction projects
- 262 projects funded totaling nearly \$1.5 billion with \$290 million awarded
- Vision Iowa/CAT has touched 191 Iowa communities and 90 Iowa counties
- 13-member Board of Directors

Community Development – Iowa Downtown Resource Center

- Fee-based services for cities not in Main Street Iowa:
 - Training, Downtown Assessment Visits, Specific Technical Assistance, Advertising and Publications
- Main Street Iowa
 - Comprehensive Technical Assistance for Selected Communities
 - Organizational development
 - Marketing and promotion
 - Business assistance and development
 - Design assistance
 - 35 Active programs
 - 7 National award-winning communities

Business Development Division

- Market Iowa (Domestic/International)
- Project Management
- Research
- International Trade
- Iowa Careers Consortium
- Business Assistance
- Financial Assistance

Business Development – **Division Goals & Objectives**

- Support and work to achieve the vision of the Governor and Director to transform Iowa's economy
- Increased collaboration with local economic development professionals. Adhere to legislative mandates
- Higher levels of efficiency and customer service to internal and external clients – Kaizen process improvements underway.

Business Development – **Project Management**

- Expansions, retention, new locations
- Responsible for client service, prospect generation (marketing) and communications
- Communication liaison for communities and other Iowa governmental agencies
- Clearinghouse for industry data, contacts and policy updates

Business Development – Foreign Direct Investment

- Represents a growing segment of our prospects and projects (almost 1/3rd)

Foreign direct investment is steadily increasing

<i>FY '00</i>	<i>FY '02</i>	<i>FY '06</i>
– <i>\$64.6 million</i>	– <i>\$112.7 million</i>	– <i>\$211.5 million</i>
– <i>872 FTE's</i>	– <i>1,398 FTE's</i>	– <i>923 FTE's</i>
– <i>\$13.05/hr</i>	– <i>\$14.83/hr</i>	– <i>\$20.47/hr</i>

- Strongest target countries: Denmark, Germany, Japan, Italy, France, Netherlands
- Foreign direct investment/ownership directly employs over 36,000 Iowans, with over 54% in manufacturing

Business Development – **Iowa's Competition**

- Project Specific
- Becoming geographically diverse
- Currently includes:
 - Illinois, Nebraska, Minnesota, Wisconsin, South Dakota, Indiana, Missouri, Ohio, North Carolina, Texas
 - Singapore, Canada, United Kingdom, China and Mexico.

Business Development – **International Trade**

- Strengthen Iowa's presence in the international marketplace by promoting Iowa and Iowa products and services
- Foreign offices and representatives
 - Germany, Japan, Mexico
- Educate Iowa business people on topics related to exporting and doing business in other countries
- Attract foreign investment into the state

Business Development – **Business Assistance Team**

- Regulatory Assistance
- Small Business Air Quality Liaison
- Immigration Business Assistance
- Business License Information Center
- Recycling Industry Development
- Iowa Waste Exchange
- Brownfield Redevelopment

Business Development – **Business Finance Programs**

- Iowa Values Fund
- Enterprise Zones
- Economic Development Set-Aside
- Community Economic Betterment Account
– CEBA Modernization
- Targeted Small Business Program
- Value Added Ag Financing
- Workforce Training Assistance

Business Development – **The Iowa Values Fund**

- Move and Grow Iowa's economy
- Create Jobs
- Help generate wealth for Iowans

- \$500 million cash commitment
 - \$50 for each of 10 years
 - \$21.6 million per year tax credit commitment

Business Development – **Iowa Values Fund Allocations**

- Business Assistance and Marketing – \$33 million
 - Funding will be utilized for current programs administered by IDED with a focus on:
 - Business Start-ups
 - Business Retention
 - Business Expansions
 - Marketing
 - Business Attraction

Business Development – **Iowa Values Fund Allocations**

- Regents Funding - \$5 million
- Community College Job Training - \$7 million
- Renewable Fuels Infrastructure Program - \$2 million
- Regional Assistance - \$1 million
- Cultural Trust Fund - \$1 million
- State Parks - \$1 million

Business Development – **Iowa Values Fund Tax Credits**

- New Jobs Tax Credit
(administered by DRF)
- High Quality Job Creation Act
- Historic Tax Credits - \$4 million
- Regional Tax Credits - \$2 million
- Endow Iowa Tax Credits - \$2 million

Business Development – **Tax Credit Programs**

- Enterprise Zone Program
- High Quality Jobs Creation Program (IVF)

Business Development – **Direct Assistance Programs**

- Economic Development Set-Aside (Federal) – EDSA
- Community Economic Betterment Account – CEBA
- CEBA Modernization
- Entrepreneurial Ventures Assistance – EVA
- Value-Added Agricultural Products and Processes Financial Assistance Program – VAAPFAP
- Targeted Small Business Assistance - TSB

Business Development – **Workforce Training Programs**

- Industrial New Jobs Training Program – 260E
- Iowa Jobs Training Program – 260F
- Accelerated Career Education Program – ACE (260G)

Business Development – **Iowa Careers Consortium (ICC)**

- Statewide Public/Private Partnership
- 20-member advisory board
- Integrated marketing program with www.SmartCareerMove.com as the call to action
- Position Iowa as a state with progressive businesses offering career choices, a great lifestyle and to attract qualified, skilled workers

Business Development – The Targeted Industries (Batelle Studies)

- Biosciences, Advanced Manufacturing, Information Solutions (Technology)
- Raise profile of industries in Iowa
- Grow new firms through commercialization of university-based and industry R & D
- Support efforts to assist existing companies
 - Ensure competitiveness
 - Retain and expand Iowa-based employment
 - Maximize ability to reach economic potential

Business Development – **Iowa's Successes**

- Since July 2003 and through Dec. 2006, the Iowa Values Fund and other IDED programs have:
 - Assisted 402 projects
 - Created and Retained 31,439 jobs at an average annual wage of \$39,686 (incented)
 - Resulted in \$8.06 billion of capital investment

Business Development – **Projects/Leads Summary**

- Total Projects & Leads: 430
- Cap Investment: \$7.83 billion
- New Job Potential: 17,526
- Retained Job Potential: 6,523
- Project/Lead Distribution - 42% are projects and 58% are leads

Business Development – **6/30/06 Project Status Report**

- 96% of capital investment in place
- 72% of jobs have been realized
- Average wage of jobs in place is \$39,000
– more than 20 percent higher than Iowa's
per capita personal income
- 89% of projects are on schedule or
completed

Q&A